E2 METALS
exploration and development

ASX Announcement

December 2020 Quarterly Report

22 January 2021

E2 Metals (E2 or the Company) is pleased to present the quarterly report for the period ended 31 December 2020, and provide an update on exploration activities at the Company's gold and silver projects in the Santa Cruz provoince of Argentina.

Highlights

- A combined 7331m RC and Diamond drill program was completed at the Conserrat project.
- New high-grade gold and silver discovery at Mia:
  - DRC-MI20-012: 18m at 47gpt Au and 208 gpt Ag (50gpt AuEq[1]) from 66m
  - DDH-MI20-030: 11.2m at 4.2 gpt Au and 535gpt Ag (11.5 gpt AuEq[1]) from 59.1
  - DDH-MI20-034: 9m at 11gpt Au, 814gpt Ag (22gpt AuEq[1]) from 49.1m
  - DDH-MI20-044: 2m at 43gpt Au, 9gpt Ag (43gpt AuEq[1]) from 21m
- This included a new deeper gold and silver zone:
  - DDH-MI20-065: 4.1m at 1gpt Au, 644gpt Ag (9.9 AuEq[1]) from 175m
- Shallow high-grade mineralisation has been defined over 150m down plunge and is open to the west. Gold and silver mineralisation in the deeper zone is open in all directions.
- Preliminary drilling at Florencia has defined three new mineralised structures:
  - DRC-FL20-016: 3m at 8.2gpt Au, 26gpt Ag (8.5gpt AuEq[1]) from 60m
  - DRC-FL20-019: 17m at 1.28gpt Au, 10gpt Ag (1.5gpt AuEq[1]) from 87m
- Gold and silver assay results for 16 holes at Florencia and Emilia Este remained outstanding at the end of the quarter.
- The Company is in a robust financial position with over $15.5m cash following a placement in November 2020 to institutional and retail investors.

[1]Gold equivalent grades calculated at spot price of U$1850/oz gold and U$25.5/oz silver (Au + Ag/72.5)

E2 Metals Limited

ABN: 34 116 865 546
ASX Code: E2M

Issued Capital

149.7M fully paid ordinary shares

Directors / Secretary

Melanie Leydin
Chair & Company Secretary

Todd Williams
Managing Director

Alastair Morrison
Non-Executive Director

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E2

Santa Cruz Projects, Argentina

Overview

E2 Metals continues to be focused on its Santa Cruz projects in Argentina (Figure 1) where it holds an 80% interest in a 90,000-hectare land package prospective for multi-million-ounce gold and silver epithermal vein deposits similar to Cerro Negro (Newmont) and Cerro Vanguardia (AngloGold Ashanti).

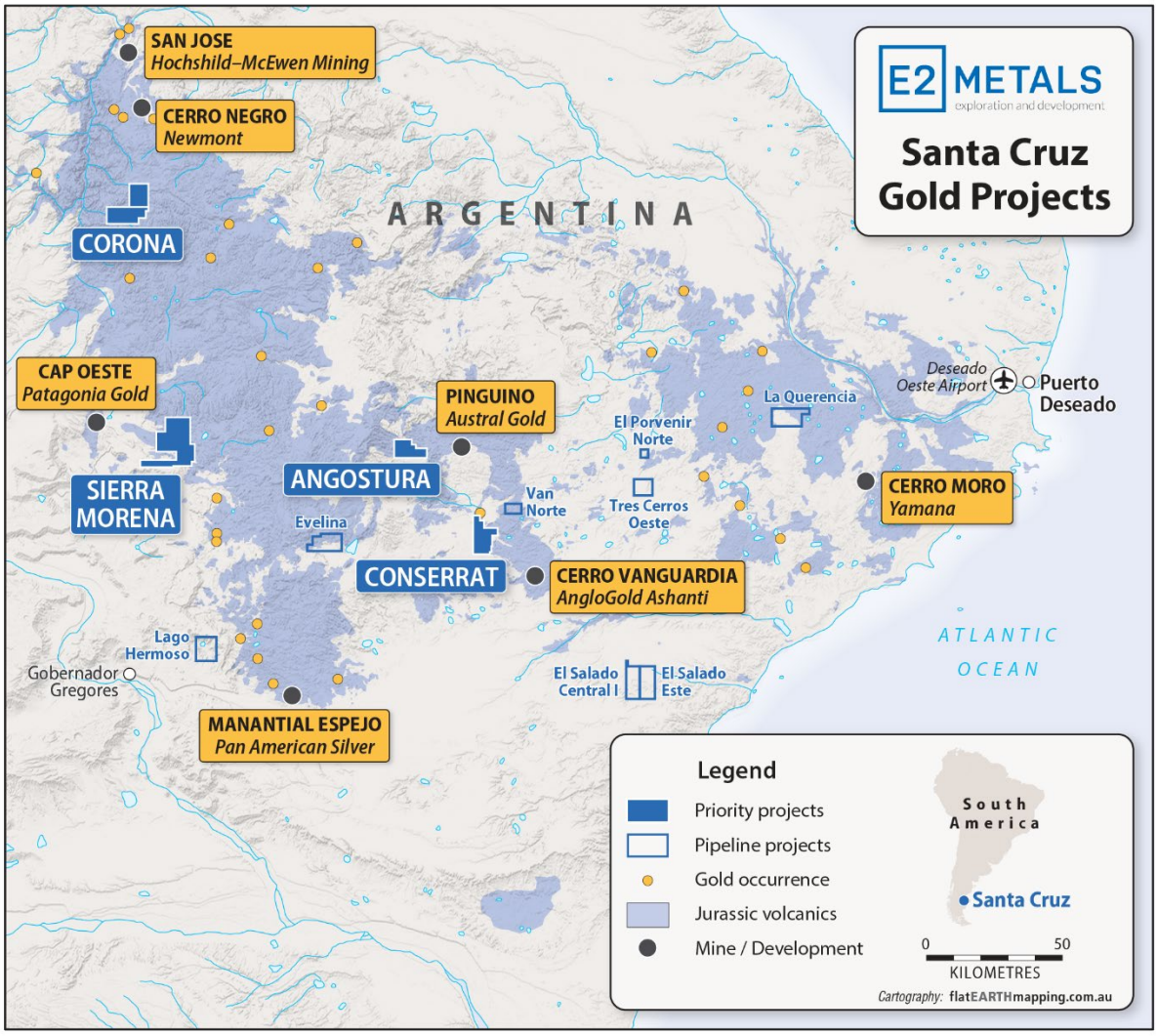

Figure 1: ***Santa Cruz Portfolio***

Exploration work programs in Santa Cruz compised a combined 7331m diamond and reverse circulation (RC) drill program at the Conserrat project (Figure 2) where a new high-grade discovery was made at the Mia prospect. Work at other projects in Santa Cruz was on hold due to COVID-19 travel restrictions.

Conserrat

The Conserrat project is comprised of one title totalling 8,696Ha and is centered on the same geological trend that is host to AngloGold Ashanti's Cerro Vanguardia mine (historical and current reserves 8.9Moz Au, 137Moz Ag). The project is host to a recently discovered epithermal vein field that partially outcrops over an area of 25 square kilometers, within 'erosional windows' of younger volcanic and sediment cover.

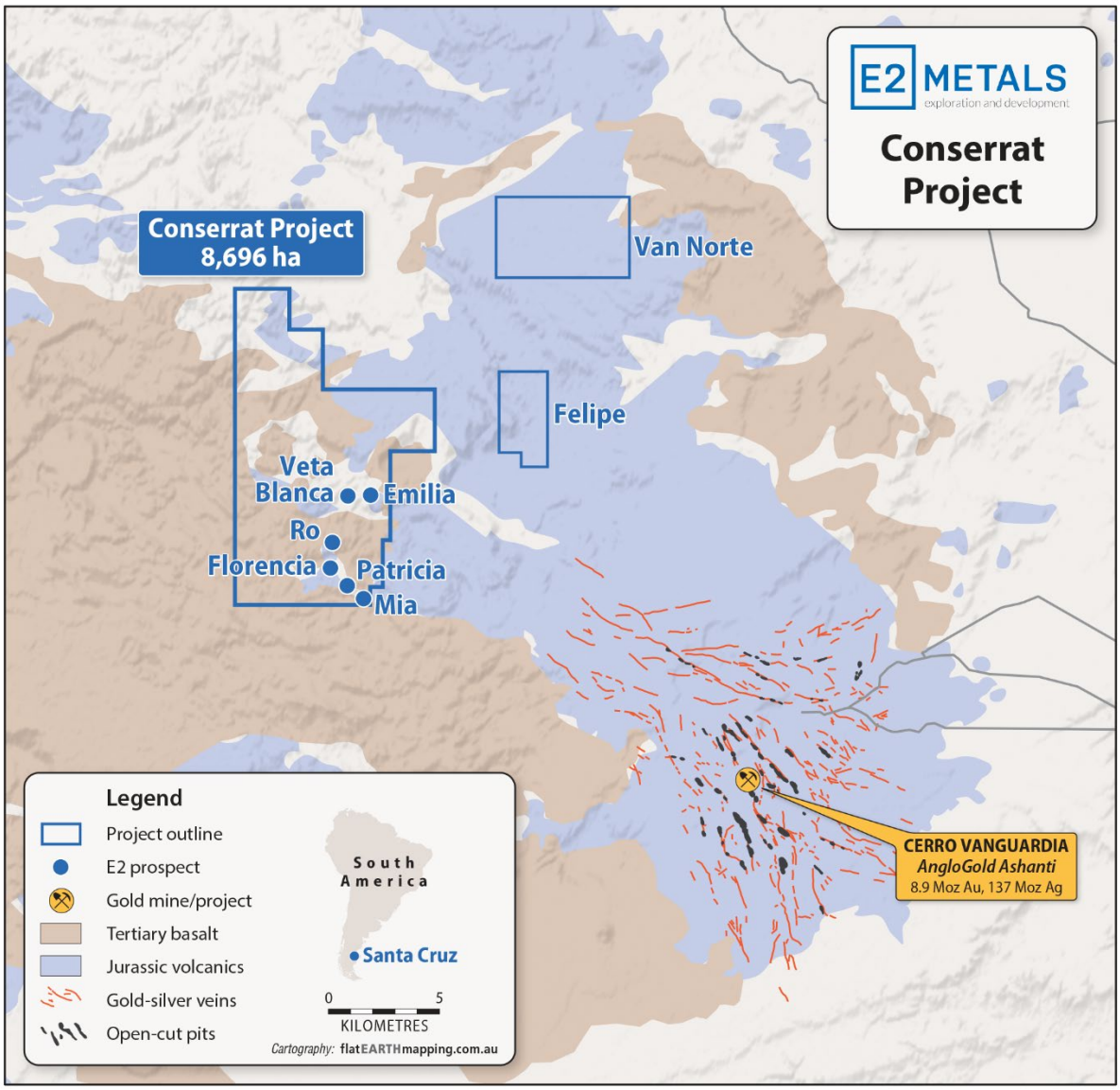

Figure 2: *Conserrat Project*

A total of 26 diamond holes for 3550m and 40 RC holes 3781m were completed at the Conserrat project during the quarter (see Table 1). A Electrical Tomography (ET) geophysical suvey was completed at the Mia and Patricia prospects to define 'blind' vein-like targets for drill testing.

Table 1: ***Mia and Patricia drill hole collars***
Datum UTM WGS84 Zone 19 South

Prospect	Hole	Method	Easting (m)	Northing (m)	Elevation mRL	Dip (°)	Azimuth (°)	Depth (m)
Emilia Este	DDH-EE20-060	Diamond	535596	4650522	298	-60	75	66.7
	DDH-EE20-062	Diamond	535595	4650466	288	-60	63	119
Florencia	DDH-FL20-004	Diamond	533271	4647308	304	-60	200	200
	DDH-FL20-051	Diamond	533380	4647336	305	-60	200	110
	DDH-FL20-055	Diamond	533333	4647329	303	-60	200	122
	DDH-FL20-057	Diamond	533355	4647260	305	-60	200	140
Mia	DDH-MI20-001	Diamond	534940	4645850	306	-60	37	92
	DDH-MI20-002	Diamond	534995	4645925	301	-60	217	161.2
	DDH-MI20-003	Diamond	534927	4646007	298	-60	217	169
	DDH-MI20-030	Diamond	535019	4645901	302	-60	180	101.45
	DDH-MI20-031	Diamond	534994	4645900	302	-60	180	101
	DDH-MI20-033	Diamond	534970	4645900	303	-60	180	141.6
	DDH-MI20-034	Diamond	535044	4645900	301	-60	180	101
	DDH-MI20-036	Diamond	535019	4645926	298	-60	180	125
	DDH-MI20-038	Diamond	534996	4645951	301	-60	180	150
	DDH-MI20-040	Diamond	535045	4645950	299	-60	180	150
	DDH-MI20-044	Diamond	534912	4645901	305	-60	180	100
	DDH-MI20-047	Diamond	534914	4645948	299	-60	180	146
	DDH-MI20-049	Diamond	534818	4645896	307	-60	180	98
	DDH-MI20-065	Diamond	535020	4646025	294	-60	180	228
Ro	DDH-RO20-005	Diamond	533472	4648560	306	-60	217	101.1
	DDH-RO20-009	Diamond	533553	4648503	306	-60	217	225.1
	DDH-RO20-017	Diamond	533386	4648615	306	-60	217	219
Veta Blanca	DDH-VB20-020	Diamond	534010	4650499	259	-60	37	239
	DDH-VB20-023	Diamond	534042	4650532	265	-60	37	182.2
	DDH-VB20-025	Diamond	533979	4650552	258	-60	37	130
Emilia	DRC-EM20-021	RC	534885	4650851	352	-60	37	92
	DRC-EM20-022	RC	534914	4650876	247	-60	37	94
	DRC-EM20-024	RC	535003	4650820	254	-60	37	90
Florencia	DRC-FL20-016	RC	533372	4647312	307	-60	200	102
	DRC-FL20-018	RC	533359	4647274	306	-60	200	110
	DRC-FL20-019	RC	533346	4647235	307	-60	200	110
	DRC-FL20-045	RC	533331	4647196	307	-60	200	102
	DRC-FL20-046	RC	533319	4647159	306	-60	200	100
	DRC-FL20-048	RC	533256	4647273	307	-60	200	100
	DRC-FL20-050	RC	533440	4647190	309	-60	200	100
	DRC-FL20-052	RC	533428	4647151	308	-60	200	108
	DRC-FL20-053	RC	533495	4647340	307	-60	200	78
	DRC-FL20-054	RC	533481	4647301	306	-60	200	102
	DRC-FL20-056	RC	533469	4647266	306	-60	200	100
	DRC-FL20-058	RC	533454	4647228	308	-60	200	118
	DRC-FL20-059	RC	533593	4647318	307	-60	200	108
	DRC-FL20-061	RC	533577	4647275	313	-60	200	118
	DRC-FL20-063	RC	533561	4647235	308	-60	200	102
Mia	DRC-MI20-011	RC	535017	4645873	306	-60	217	100
	DRC-MI20-012	RC	535039	4645899	302	-60	217	84
	DRC-MI20-013	RC	534934	4645934	302	-60	217	102
	DRC-MI20-014	RC	534954	4645955	300	-60	217	96
	DRC-MI20-015	RC	534916	4645874	305	-60	180	105
	DRC-MI20-039	RC	535044	4645871	303	-60	180	72
	DRC-MI20-041	RC	534969	4645874	305	-60	180	56
	DRC-MI20-042	RC	534993	4645870	307	-60	180	65
	DRC-MI20-043	RC	534815	4645901	306	-60	180	78
Patricia	DRC-PA20-006	RC	534069	4646535	304	-60	217	100
	DRC-PA20-007	RC	534052	4646511	306	-60	217	102
	DRC-PA20-008	RC	534134	4646494	301	-60	217	96
	DRC-PA20-010	RC	534115	4646470	302	-60	217	96
	DRC-PA20-028	RC	534033	4646487	305	-60	217	92
	DRC-PA20-029	RC	534194	4646490	298	-60	217	96
	DRC-PA20-032	RC	534176	4646469	301	-60	217	120
	DRC-PA20-035	RC	534096	4646446	307	-60	217	84
	DRC-PA20-037	RC	534156	4646517	300	-60	217	54
Ro	DRC-RO20-064	RC	533610	4648455	304	-60	217	100
	DRC-RO20-066	RC	533584	4648422	304	-60	217	86
Veta Blanca	DRC-VB20-026	RC	533943	4650605	256	-60	37	89
	DRC-VB20-027	RC	533961	4650527	255	-60	37	74

Mia

A total of 14 diamond holes for 1864m and 9 RC holes for 758m have been completed at the Mia prospect since September 2020. Drill hole locations and gold and silver assay results are shown in Figures 3 and 4. The first phase of RC drilling returned an exceptional high-grade intercept (*see ASX announcement, 28 October 2020, Exceptional gold and silver drill results from Mia*).

Key results include:

DRC-MI20-012 18m at 47gpt Au, 208gpt Ag (50gpt AuEq[1]) from 66m, including

1m at 424gpt Au, 1489gpt Ag (444gpt AuEq[1]) from 68m

The hole is located 50m southeast of the discovery hole CORC-36 which was announced in May 2020 and returned 8m at 7.64gpt Au, 216gpt Ag (ASX announcement, 6 May 2020, 8m at 7.46gpt Au & 216gpt Ag at Mia prospect, Conserrat).

Follow up diamond drilling at Mia returned further high-grade mineralisation, including:

DDH-MI20-030: 24.4m at 2.2gpt Au, 281gpt Ag (6gpt AuEq[1]) from 41m, including

11.2m at 4.2gpt Au, 535gpt Ag (11.5 gpt AuEq[1]) from 51m, including

1.1m at 21gpt Au, 3119gpt Ag **(64 gpt AuEq[1])** from 59.1m

DDH-MI20-034: 9m at 11gpt Au, 814gpt Ag **(22gpt AuEq[1])** from 44m, including

3.4m at 28gpt Au, 1843gpt Ag (53gpt AuEq[1]) from 49.1m

DDH-MI20-0**44**: 2m at 43gpt Au, 9gpt Ag (43gpt AuEq[1]) from 21m, and

6.1m at 4.6gpt Au, 28gpt Ag (5gpt AuEq[1]) from 68m

High-grade gold and silver mineralisation is associated with a sub-horizontal mineralised shoot that has been defined over 150m down plunge. Drilling is ongoing and mineralisation is open to the west.

In December 2020 a single deep diamond hole (end of hole 225m) was drilled beneath the known mineralised shoot targeting a strong chargeability feature in Electrical Tomography geophysical inversions (*see ASX announcement, 15 December 2020, Further high-grade results at Mia*). The hole intercepted a deeper gold and silver zone interpreted to be a second mineralised shoot (see Figures 5 to 7). The hole intercepted two mineralised veins spaced over 30m and returned:

DDH-MI20-065: 14m at 0.4gpt Au, 218gpt Ag (3.4gpt AuEq[1]) from 169m, including

4.1m at 1gpt Au, 644gpt Ag (9.9gpt AuEq[1]) from 175m, and

14m at 0.75gpt Au, 12gpt Ag (0.9gpt AuEq[1]) from 194m

[1]Gold equivalent grades calculated at spot price of U$1850/oz gold and U$25.5/oz silver (Au + Ag/72.5)

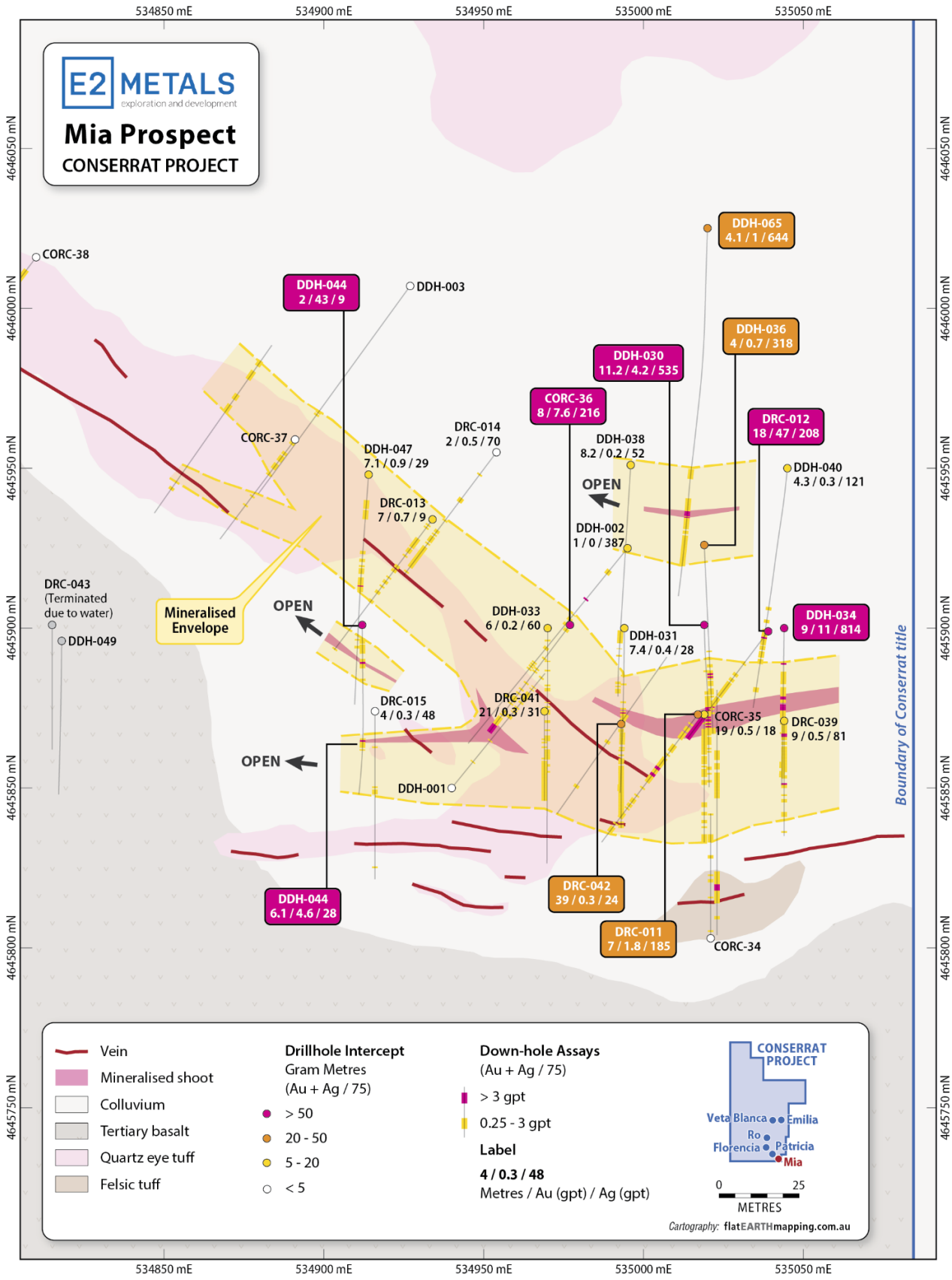

Figure 3: Mia Prospect drill holes and gold silver results (Datum WGS UTM19S)

Note to simplify map labels prefix "MI20" has been removed from collar IDs

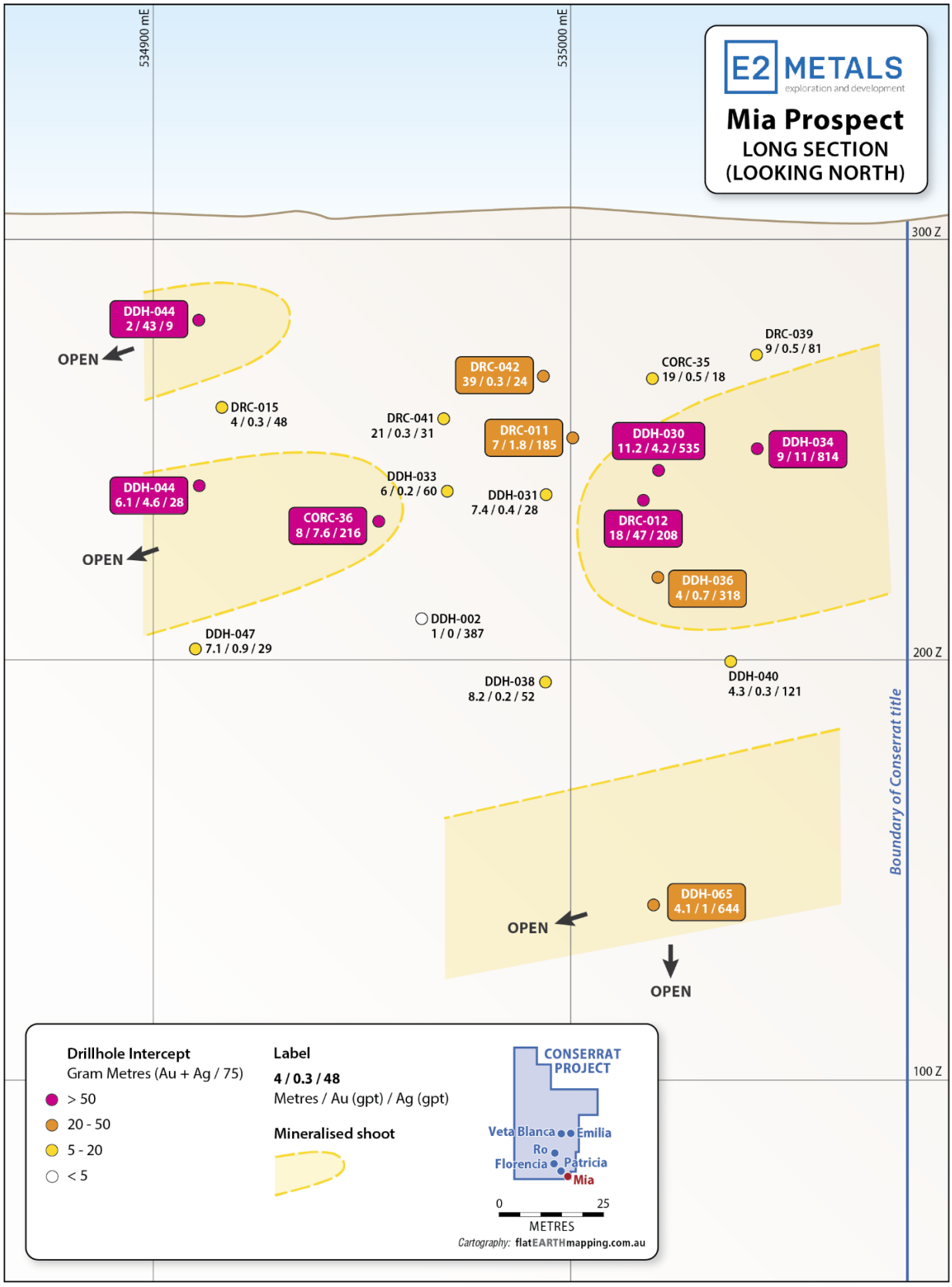

Figure 4: *Mia long section (Datum WGS UTM19S)*

Note to simplify map labels prefix "MI20" has been removed from collar IDs

Figure 5: *DDH-MI20-065, colloform crustiform epithermal vein from 175m*

Figure 6: *DDH-MI20-065, silica sulphide vein from 205m and hydrothermal breccia*

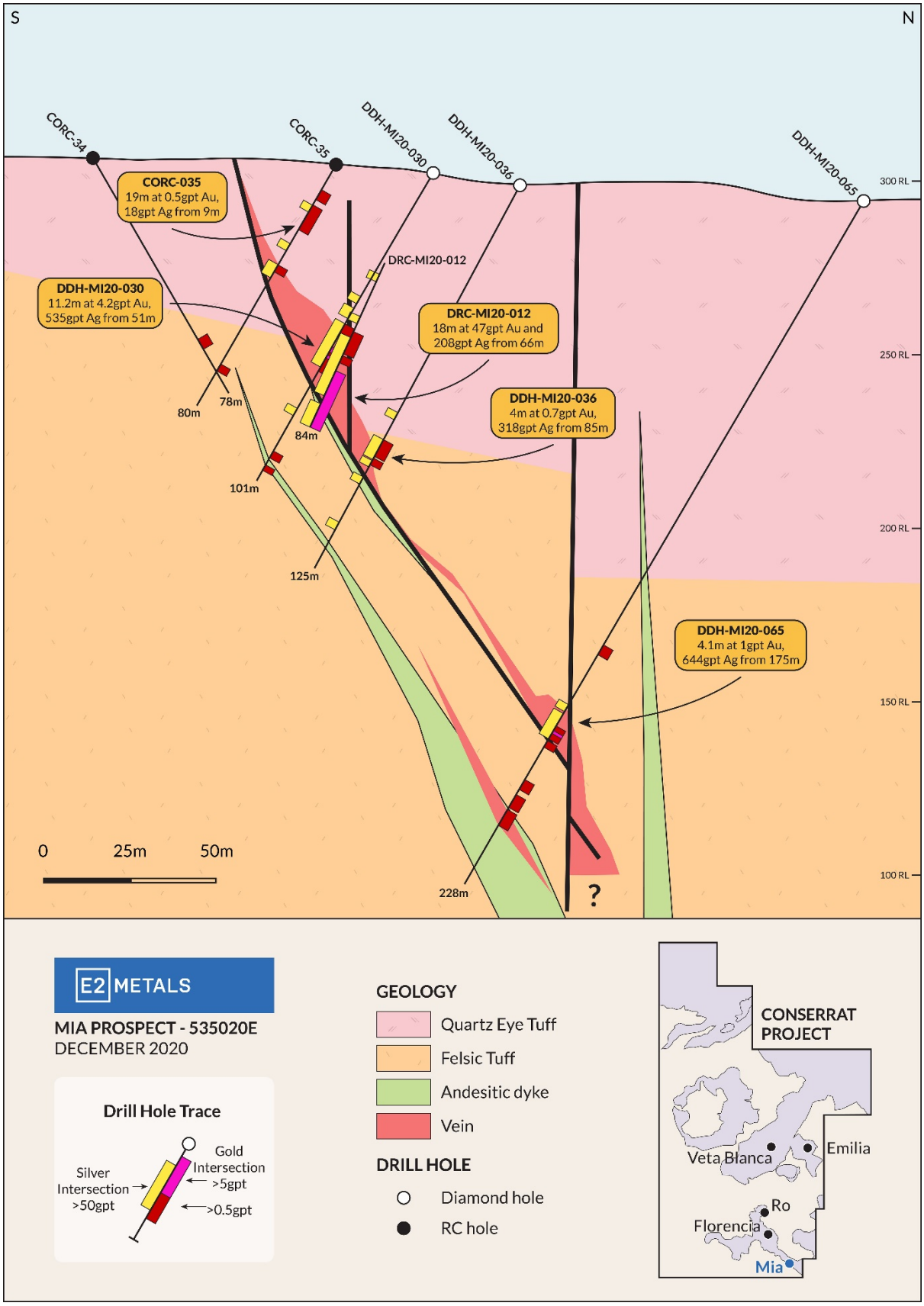

Figure 7: *Mia Cross Section showing DDH-MI20-065*

Florencia

A total of 4 diamond holes for 572m and 15 RC holes for 1558m have been completed at the Florencia prospect since September 2020. Florencia is centred 2 kilometers northwest of Mia on the same geological and structural trend. Preliminary drilling and trenching has defined three mineralised structures spaced over 200m across strike (*see ASX announcement, 9 November 2020, Florencia returns promising results*). Gold and silver assay results from the first batch of drill holes include:

DRC-FL20-016: 14m at 2.2gpt Au, 11gpt Ag (2.3AuEq[1]) from 56m including

3m at 8.2gpt Au, 26gpt Ag (8.5gpt AuEq[1]) from 60m

DRC-FL20-019: 17m at 1.28gpt Au, 10gpt Ag (1.5gpt AuEq[1]) from 87m

Gold and silver assay results for 14 holes at Florencia remained outstanding at the end of the quarter.

Emilia Este

Emilia Este is a new surface vein discovery located 4.6km north of Mia on a separate mineralised trend (*see ASX announcement 15 December 2020, Further high-grade results at Mia*)

Surface sampling and mapping defined a new outcropping vein with up to 82gpt Au and 2468gpt Ag in rock chip samples (see Figure 8). The vein has been traced for 80m and strikes north-northwest.Two shallow diamond holes were completed at Emilia Este and assay results remained outstanding at the end of the quarter.

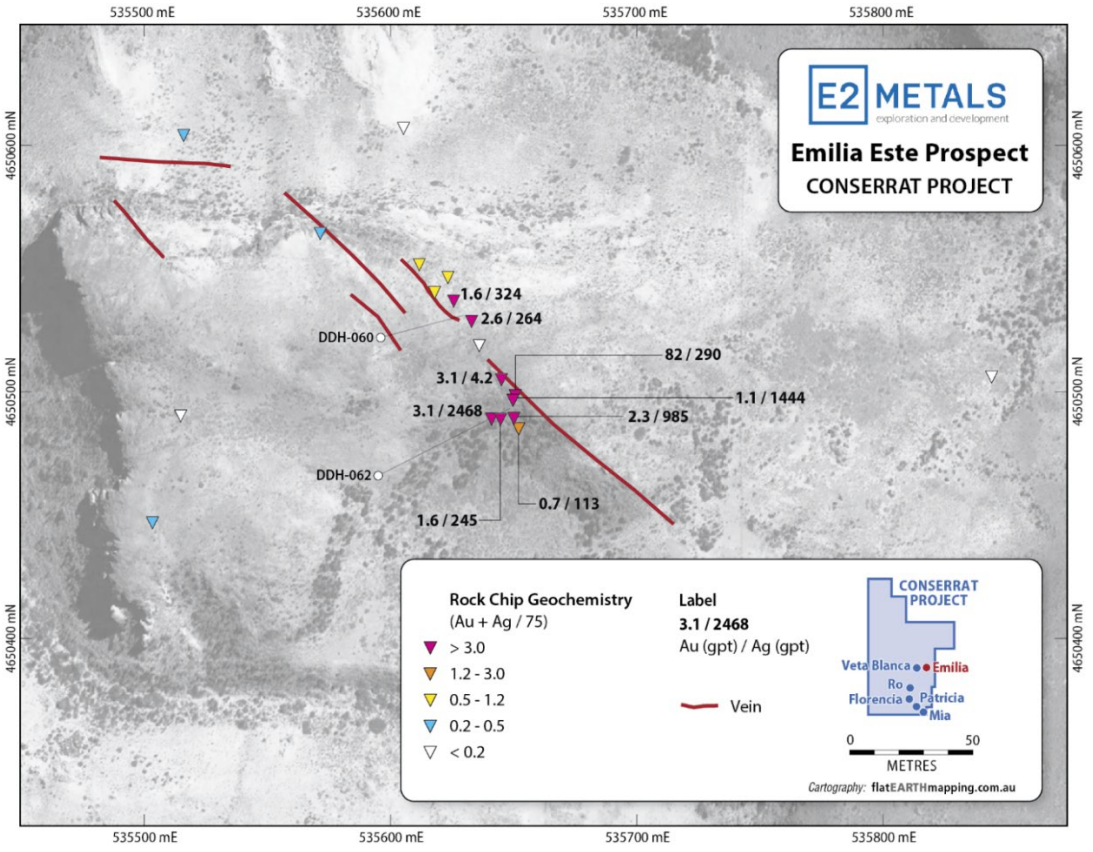

Figure 8: *Emilia Este prospect with previous and new rock chip results and drill holes (Datum WGS UTM19S)*

Patricia

A total of 9 RC holes for 840m have been completed at the Patricia prospect since September 2020 (see Figure 9). Patricia is located 1.2km northwest of Mia and was prioritised for scout RC drilling based on the presence of high-grade epithermal vein boulders at surface similar to Mia (*see ASX announcement, 17 February 2020, New Patricia Vein Extends Mia trend to 1.2km*).

Holes were drilled on three northeast orientated fences spaced 50 to 75m apart.

Preliminary interpretation from the first holes at Patricia was that the high-grade epithermal vein boulders were displaced approximately 50m northwards from the potential source located under younger tertiary basalt cover.

Hole DRC-PA20-028 was collared on the basalt and intercepted wide zones of low-grade mineralisation including a discrete interval of 1m at 0.35gpt Au, 195gpt Ag from 74m. This is interpreted to be a second parallel structure 40m south of previously reported hole DRC-PA20-007 that returned 1m at 0.3gpt Au, 174gpt Ag from 95m. Both mineralised structures are open to the west.

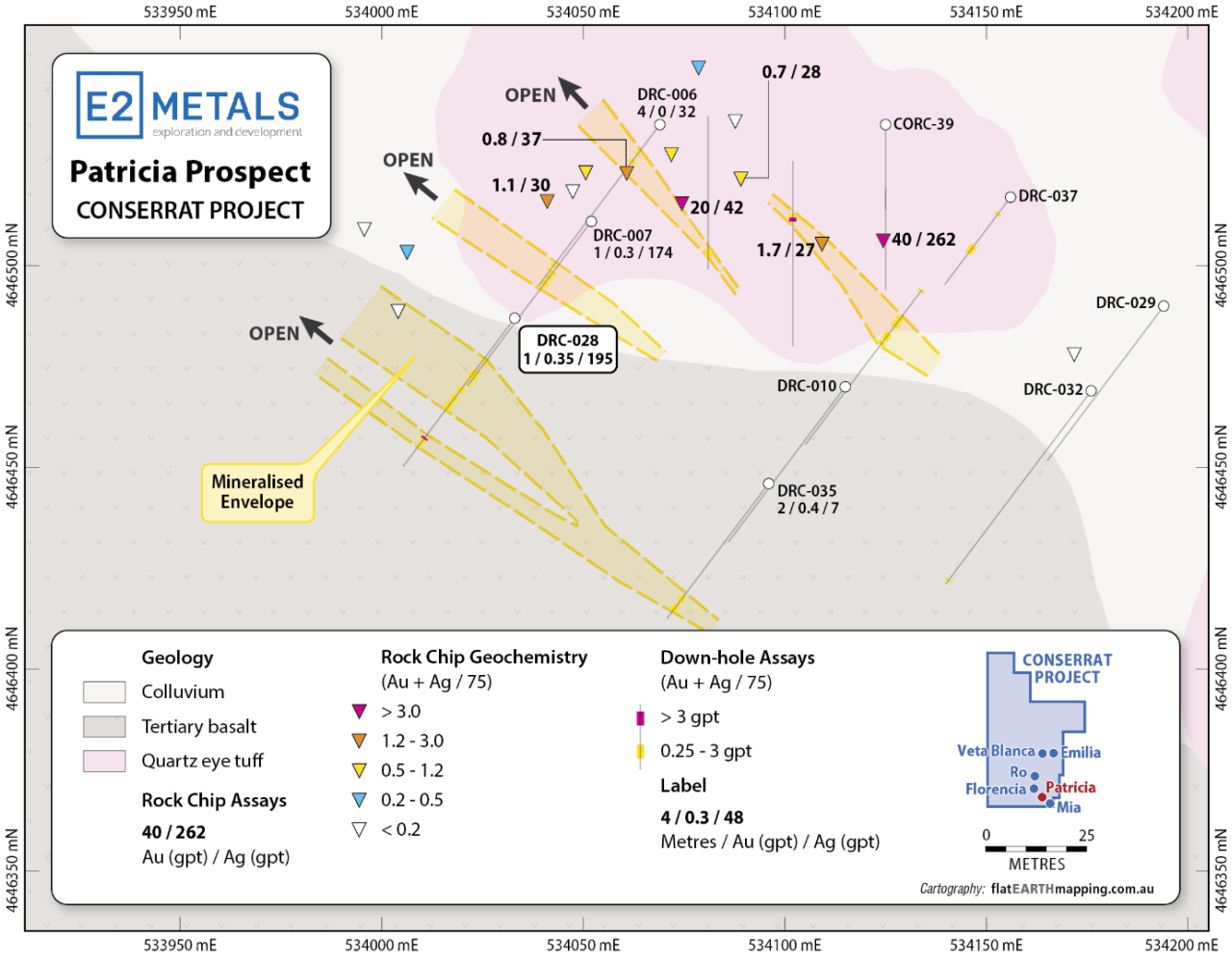

Figure 9: *Patricia prospect drill holes and interpreted mineralised trends (Datum WGS UTM19S)*

Rio Negro Projects, Argentina

Overview

E2 Metals holds an 80% interest in 37,979 hectares in the Rio Negro province (Figure 10) of Argentina. The province is host to the northern portion of the Somuncura Massif, a large volcanic province that is geologically similar to the Deseado Massif in Santa Cruz, but has been subject to far less modern exploration. The Somuncura Massif is host to Pan American Silver's Navidad deposit, the largest undeveloped silver deposit in the world with over 700 million ounces of silver resources, and Patagonia Gold's Calcatreu gold deposit with over 1 million ounces of gold resources.

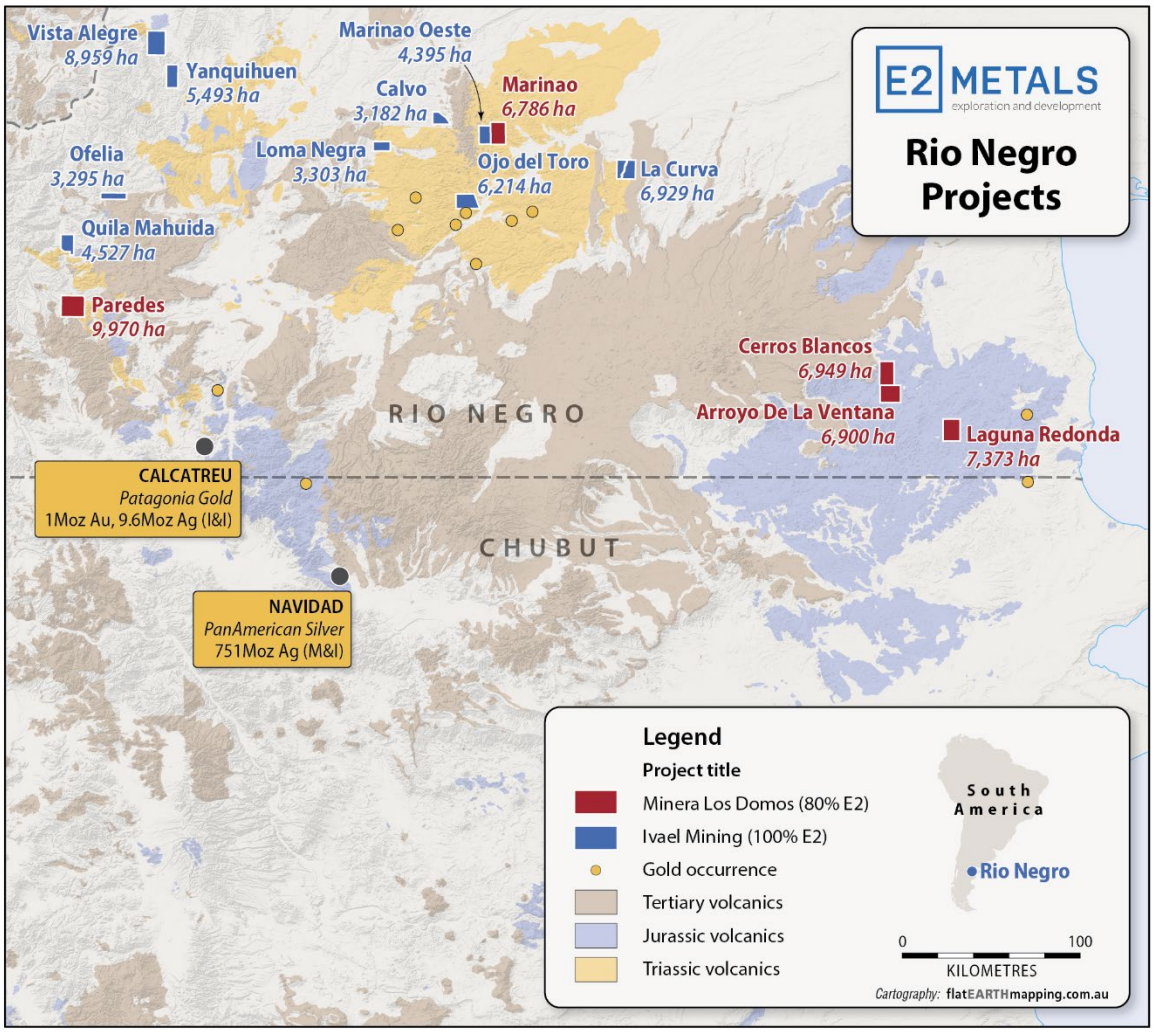

Figure 10: *Rio Negro Portfolio*

No field work was conducted during the reporting period. Reconnaissance mapping and sampling is planned for several of the Rio Negro projects during Q1 2021 subject to COVID-19 and travel restrictions.

Cobar Project, Australia

Overview

E2 Metals holds a large 175km^2 strategic landholding in the prolific Cobar Superbasin, New South Wales, located on the eastern margin of the Silurian to early Devonian Mount Hope Trough (Figure 11). Gold and copper mineralisation have been defined at three prospects (Mount Solitary , Mount Solar and Main Road) within a north-south structural corridor traced over 10km along strike. The potential for high-grade 'Cobar-style' mineralisation is underpinned by the relative proximity to the historical Mount Hope and Great Central copper mines. Recent discoveries of significant blind polymetallic mineralisation at Wagga Tank-Southern Nights by Peel Mining, and Federation by Aurelia Metals, reinforce the potential for further discoveries in the district.

An airborne Electromagnetic (EM) survey is planned for the Cobar project during Q1 2021.

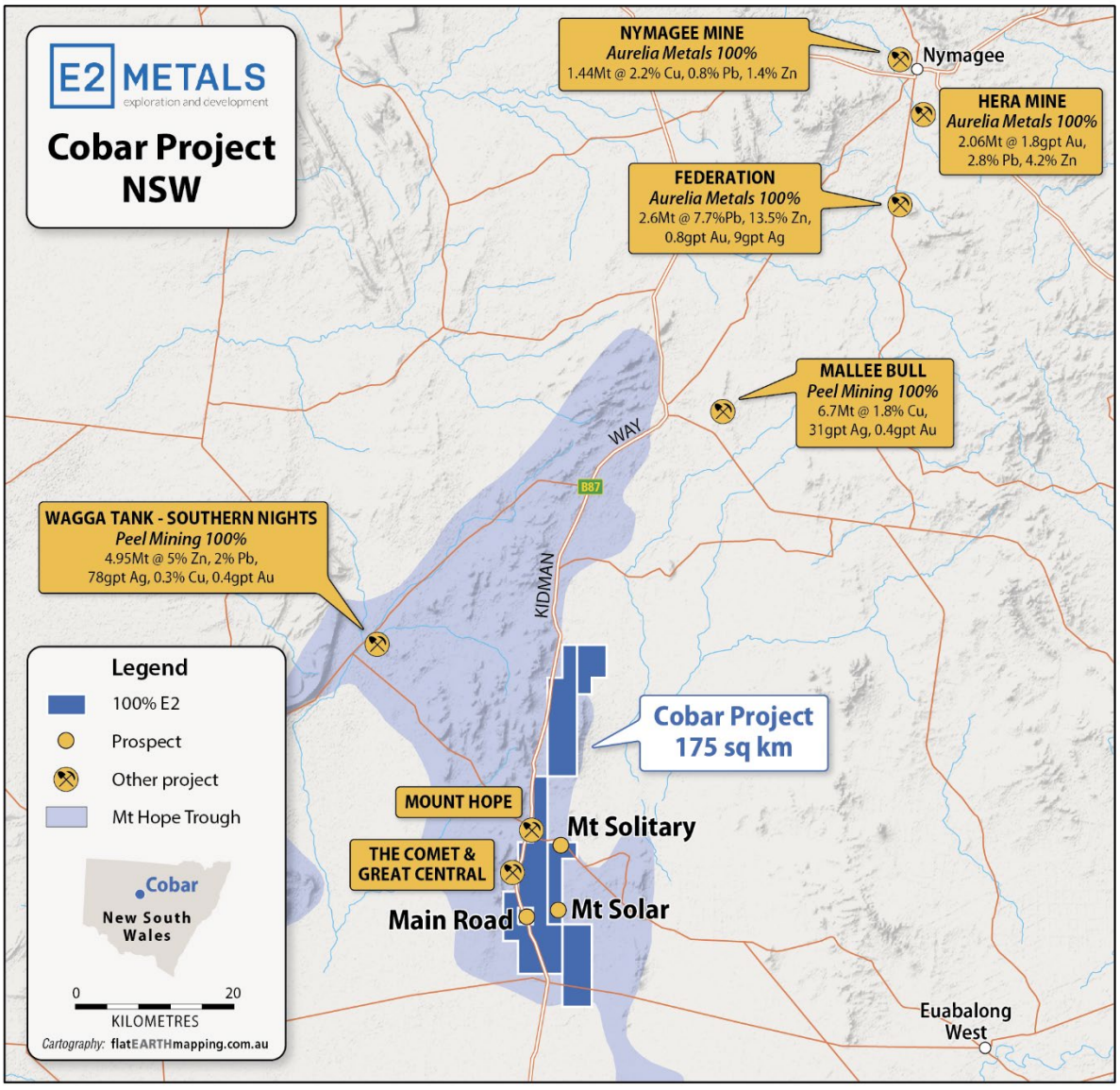

Figure 11: *Cobar Portfolio*

Corporate

During the quarter ended 31 December 2020, the Company spent $2.464M on exploration and evaluation, $72k on staff costs and $302k on administration and corporate costs. These payments on operating activities relates to ongoing drill operations at the Conserrat project. In addition the company received $1,131k of net income from sales of Argentine CCL bonds which were acquired for the purpose of selling in the short term. The bonds were acquired in US Dollars and liquidated in Argentine Peso as part of transferring the operating working capital to the Group's Argentine subsidiary for exploration activities.

In November 2020 the Company completed a Share Placement to institutional and sophisticated investors to raise $12.29million (net of fees) at a price of $0.73 per share. Strong support was shown for the Placement from a broad range of high quality, domestic and international institutional investors. Argonaut Securities Pty Ltd and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers and Bookrunners in respect of the Placement.

The Company remains in a robust financial position with $15.5 million cash at 31 December 2020.

Payments to related parties of the entity and their associates

The payments as disclosed in section 6.1 of the Appendix 5B related to:

- Payment of $75k for Director's fees for the quarter; and
- Payment of $34k to Leydin Freyer Corp, an associated entity of Ms Melanie Leydin, for CFO and company secretarial fees during December 2020 quarter.

Future Plans

March 2021 Quarter

Plans for the March 2021 quarter include

- Up to 7500m of combined RC and diamond drilling at Conserrat
- First mapping and sampling at priority Rio Negro projects
- An airborne EM survey at the Cobar project

For Enquiries Please Contact

Todd Williams
Managing Director
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This announcement is authorised for release to the market by the Board of Directors of E2 Metals Limited.

Schedule of Tenements as at 31 December 2020

Description	Tenement number	Holder	Interest owned by E2 Metals Limited %
Mount Hope, Australia	EL6837	Fisher	100.00
Main Road, Australia	EL8058	Fisher	100.00
Broken Range, Australia	EL8290	Fisher	100.00
Mount Hope, Australia	EL8654	Fisher	100.00
Evelina, Argentina	423.826/MS/09	Minera	80.00
Lago Hermoso, Argentina	423.827/MS/09	Minera	80.00
El Salado Este, Argentina	423.828/MS/09	Minera	80.00
El Salado Central I, Argentina	424.985/MS/10	Minera	80.00
El Porvenir Norte, Argentina	421.672/MS/12	Minera	80.00
Tre Cerro Oeste, Argentina	422.990/MS/12	Minera	80.00
Querencia, Argentina	406.735/MS/04	Minera	80.00
Sierra Morena I, Argentina	430.269/MS/14	Minera	80.00
Sierra Morena II, Argentina	430.270/MS/14	Minera	80.00
Candalon La Angostura, Argentina	437.502/BVG/17	Minera	80.00
Van Norte, Argentina	437.503/BVG/17	Minera	80.00
Corona Norte, Argentina	437.470/BVG/17	Minera	80.00
Corona Sur, Argentina	437.472/BVG/17	Minera	80.00
Conserrat, Argentina	437.471/BVG/17	Minera	80.00
Cerros Blancos, Argentina	32.053/M/2007	Minera	80.00
Marinao, Argentina	32.055/M/2007	Minera	80.00
Arroyo de la Ventana, Argentina	32.056/M/2001	Minera	80.00
Laguna Redonda, Argentina	32.057/M/2007	Minera	80.00
Paredes, Argentina	42.056/M/2017	Minera	80.00
Felipe, Argentina	440.730/LD/19	Minera	80.00
Calvo, Argentina	45041-M-2020	Ivael	Application
Curva Oeste y Curva Este, Argentina	45037-M-2020	Ivael	Application
Loma Negra, Argentina	45039-M-2020	Ivael	Application
Maria, Argentina	45042-M-2020	Ivael	Application
Marinao Oeste, Argentina	45043-M-2020	Ivael	Application
Ofelia, Argentina	45044-M-2020	Ivael	Application
Ojo Del Toro, Argentina	45040-M-2020	Ivael	Application
Quila Mahuida, Argentina	45038-M-2020	Ivael	Application
Vista Alegre, Argentina	45035-M-2020	Ivael	Application
Yanquihuen, Argentina	45035-M-2020	Ivael	Application

No mining tenements were acquired or disposed of during the quarter

Notes:

Minera - Minera Los Domos S.A, a subsidiary of E2 Metals Limited
Ivael – Ivael Minings S.A, a subsidiary of E2 Metals Ltd
Fisher - Fisher Resources Pty Ltd, a wholly owned subsidiary of E2 Metals Ltd

Streamline Competent Person Statement

This report contains information extracted from previous ASX releases which are referenced in the report. The Company is not aware of any new information or data that materially affects the information included in the original market announcements.

The Company confirms that the form and content in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ASX Announcements

- Conserrat Project Update, 19 October 2020
- Exceptional gold and silver drill results from Mia, 28 October 2020
- Florencia returns promising drill results, 9 November 2020
- Succesful institutional placement to fund exploration, 19 November 2020
- Further high-grade results at Mia, 15 December 2020
- Drilling expands gold and silver mineralisation at Mia, 22 December 2020

Forward Looking Statement

Certain statements in this Quarterly Activities Report constitute "forward-looking statements" or "forward looking information" within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events, performance and results, and speak only as of the date of this Quarterly Activities Report.

All such forward-looking information and statements are based on certain assumptions and analyses made by E2M's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations.

Readers are cautioned not to place undue reliance on forward-looking information or statements. Although the forward-looking statements contained in this Quarterly Activities Report are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Quarterly Activities Report and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Quarterly Activities Report.

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JORC Code Reporting Criteria

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.	**Emilia Rock Chip Sampling** • The rock chip samples reported in this announcement were collected by E2 Metals during September 2020. A total of 19 samples were collected from vein outcrop and representative float trains. • Samples were analysed by Alex Stewart Argentina. Samples were crushed to less than 2mm, split and pulverized to <75µm. • Multi-element (48) data was by four acid digest and ICP-OES. Au was by fire assay using a 50g sample with AA finish. **Conserrat RC Drilling** • RC chips were collected using a Rifle John type splitter incorporated into the cyclone which split the sample into two portions of approximately 75% and 25%. • About 95% of the samples were collected on a dry basis. • When the sample is wet an Hydraulic Cone Splitter is used, which take out the excess of water, and splits two portion of the reject in 75% and 25%. • Assay standards, blanks and duplicates were inserted into every 25 samples. **Conserrat Diamond Drilling** • Representative half core samples were split from HQ diameter diamond drill core on site using rock saws • The sample intervals were defined from lithological, mineralization characteristics, with lengths no longer than 2 m and no less than 0.5 m. • The orientation of the cut line is defined, when is possible, from structural features such as contacts, fractures, faults, veinlets, so as to cut the core into two equal parts.

Criteria	JORC Code Explanation	Commentary
		• Core orientation line ensures uniformity of core splitting wherever the core has been successfully oriented. • Sample intervals are defined and subsequently checked by geologists, and sample tags are attached (stapled) to the wood core trays for every sample interval. • Assay standards, blanks and duplicates were inserted into every 12.5 samples average
Drilling Techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	**Conserrat RC Drilling** • The reverse circulation percussion (RC) method used in this program used a 5.5" (289mm) face sampling bit with a first phase of sample splitting into two portions of approximately 75% and 25% undertaken in the RC cyclone with outlets into two plastic (dry samples) or micro-porous cloth bags (wet samples). **Conserrat Diamond Drilling** • The diamond drilling has HQ diameter with triple tube core recovery configuration.

Drill Sample Recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.
		Conserrat RC Drilling
		• Sample recovery was monitored by weighing sample bags on scales beside the drill rig.
		• To make sure that chip sample recovery was maximized the outlets from the cyclone into the sample bags were carefully sealed. The cyclone and drill string were regularly cleaned by the drill operators using compressed air to prevent down hole contamination.
		• There has not been any investigation into the relationship between sample recovery and grade.
		• It is considered that there was not any preferential loss/gain of fine or coarse material.
		Conserrat Diamond Drilling
		• Diamond drill core recoveries were assessed using the standard industry best practice which involves:
		  ○ Measuring core lengths with a tape measure.
		  ○ Removing the core from the split inner tube, and placing it carefully in the core box.

Criteria	JORC Code Explanation	Commentary
		○ Assessing recovery against core block depth measurements. ○ Measuring RQD, recording any measured core loss for each core run. • All core was carefully placed in HQ sized core boxes and transported a short distance to a core processing area were logging and photography could be completed. • Diamond core recoveries average 98% through all the meters drilled. • Overall, core quality is good, with minimal core loss. Where there is localized faulting and or fracturing core recoveries decrease, however, this is a very small percentage of the mineralized intersections.
• **Logging**	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Systematic geological logging was undertaken using a hand lens to closely examine the chips and cores. Data collected includes: • Nature and extent of lithologies. • Relationship between lithologies. • Alteration extent, nature and intensity. • Oxidation extent, mineralogy and intensity. • Sulphide types and visually estimated percentage. • Quartz vein, veinlets, breccia types and visually estimated percentage. • Structures occurrence and attitude. • Chips from crucial zones of interest are checked later, off site, by examination with a 10x binocular microscope.
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	**Conserrat RC Drilling** • Both qualitative and quantitative data is collected, though quantitative data is based on visual estimates, as described above. • All holes are logged from start to finish and were conducted on drill site. **Conserrat Diamond Drilling** • All holes are logged from start to finish and were conducted on the core shack. • Both qualitative and quantitative data is collected, using predefined logging codes for

Criteria	JORC Code Explanation	Commentary
		lithological, mineralogical, and physical characteristics. • Cores are photographed after logging, with sample numbers marked in the boxes, before and after being cut and sampled.
	• The total length and percentage of the relevant intersections logged.	• 100% of all recovered chips and cores are logged.
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	• Representative half core samples were split using rock saws.
	• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	**Conserrat RC Drilling** • The small sample bags derived from the initial RC rig cyclone and riffle splitting reach a weight of 2.7-4Kg. • Wet samples were split with a hydraulic cone splitter from the cyclone in bags with a micro-porous fabric, which allowed water to escape without loss of particulate material. • The riffle splitter was cleaned with compressed air between samples to prevent sample contamination. • The big bag with the original reject from the RC rig after the splitting have been stored for any future re-sampling needs. **Conserrat Diamond Drilling** • The core intervals were marked, and the core was split with a rock saw. • Half core samples were placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored **Laboratory** • In the Alex Stewart preparation laboratory facilities samples were dried and crushed until more than 80% is finer than 10 mesh size, then a 600g split is pulverized until 95% is finer than 106 microns. • Certified Standard Reference materials and duplicate samples are inserted every 25

Criteria	JORC Code Explanation	Commentary
		samples (RC) and every 12.5 samples (DDH) to assess the accuracy and reproducibility. • Sample sizes are considered appropriate.
Quality of Assay Data and Laboratory Tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Standard assay procedures performed by a reputable assay lab (Alex Stewart) were undertaken. Gold assays are by a 50g fire assay with an atomic absorption finish. Silver was read by gravimetry on micro-balance. • No geophysical tools were used in the determination of the assay results. All assay results were generated by an independent third-party laboratory as described above. • Certified reference material, blanks or duplicates were inserted at least every 25 samples. Standards are purchased from a Certified Reference material manufacture company – Ore Research and Exploration. Standards were purchased in foil lines packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade and low grader ranges of gold and silver. The standard names on the foil packages were erased before going into the pre-numbered sample bag and the standards are submitted to the lab blind.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• The raw assay data forming significant intercepts are examined and discussed by at least two company personnel. • No twinned holes have been used at this stage. • Drill hole logging data has been collected in paper form in the field, with careful verification by several staff, particularly of the sample numbers and drill hole sample intervals. This has later been entered into Excel spreadsheets by a trained clerical person, closely supervised by a geologist and verified by the other geologists involved in the projects. This data is then transferred to MapInfo format. • Assay data is provided by Alex Stewart in three formats, csv spreadsheets, Excel spreadsheets and signed pdf files. The csv files are used to merge the data into MapInfo files. Hard copy of this and other data is stored with the other drill hole data.
Location of Data Points	• Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• Drill hole collars are located using Garmin hand held GPS accurate to ±5m. • All coordinates are based on UTM Zone 19S using a WGS84 datum. • Topographic control to date has used GPS data, which is adequate considering the small relief (<50m) in the area.

Criteria	JORC Code Explanation	Commentary
	• Specification of the grid system used. • Quality and adequacy of topographic control.	
Data Spacing and Distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Conserrat is a new discovery and as a result the drill hole spacing is variable, with closer spacing on zones where surface sampling has given encouraging results (30-40m along strike) and some scout holes testing geophysical or conceptual targets hundreds of metres from the mapped veins. • Not applicable as no Ore Resource or Reserve has been completed at Conserrat. • No sample compositing has been applied.
Orientation of Data in Relation to Geological Structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drilling is orientated to cross the interpreted, steeply dipping mineralized veins at a high angle. No known bias has been introduced into the drilling orientation.
Sample Security	• The measures taken to ensure sample security.	• Chain of custody was managed by E2Metals. Samples were placed into taped polyethylene bags with sample numbers that provided no specific information on the location of the samples. Samples were transported from site to the Alex Stewart preparation lab in Puerto San Julian by E2Metals personnel and after preparation pulps were transported to Mendoza or Perito Moreno for final analysis using transport organized by Alex Stewart.
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	• No audit or review of the sampling regime at Conserrat has been undertaken.

Section 2 Reporting of Exploration

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	E2 Metals Limited holds an 80% interest in the Conserrat Project through its ownership in local Argentine holding company Minera Los Domos SA. **Conserrat Project titles** • Title ID 437.471/BVG/17
Exploration Done by Other Parties	• Acknowledgment and appraisal of exploration by other parties.	**Reconnaissance exploration by IAMGOLD** • During the early 2000s IAMGOLD collected 131 vein outcrop and float samples within the project area. **Reconnaissance exploration by Circum Pacific Pty Ltd** • Between the period October 2017 to March 2018 Circum Pacific Pty Ltd collected 120 vein outcrop and float samples within the project area.

Criteria	JORC Code Explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	**Santa Cruz Geology and Deposit Model** • Conserrat is located towards the central eastern margin of the extensive ~60,000 km.sq Deseado Massif geological province that stretches across southern Argentina into the Chilean southern Andes. This massif is made up of Jurassic volcanic and volcaniclastic rocks of the Chon Aike formation. • Important precious metal deposits have been discovered in the province during the past 20 years. Gold and silver mineralisation is associated with Low Sulphidation (LS) Epithermal veins in northwesterly structures that were active at the time of mineralisation.

Drill Hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
	  • Easting and northing of the drill hole collar
	  • Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
	  • Dip and azimuth of the hole
	  • Down hole length and interception depth
		No drill results are disclosed in this announcement. Drill hole information is provided in Table 1.

Criteria	JORC Code Explanation	Commentary
	• Hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data Aggregation Methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	No drill results are disclosed in this announcement.
Relationship Between Mineralisation Widths and	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	No drill results are disclosed in this announcement.

Criteria	JORC Code Explanation	Commentary
intercept lengths.	• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg "down hole length, true width not known").	
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Yes.
Balanced Reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	**Emilia rock chip sampling** All gold and silver assay results are provided in Table 2.
Other Substantive Exploration Data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Not applicable.

Criteria	JORC Code Explanation	Commentary
Further Work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Exploration drilling is ongoing

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
E2 Metals Limited	
ABN	**Quarter ended ("current quarter")**
34 116 865 546	31 December 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(2,464)	(2,825)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(72)	(138)
	(e) administration and corporate costs	(302)	(445)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	7	30
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,829)**	**(3,375)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	(87)	(90)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (net proceeds from the sale of Bonds)	1,131	1,254
2.6	**Net cash from / (used in) investing activities**	**1,044**	**1,164**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	13,126	15,292
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(836)	(876)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**12,290**	**14,416**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,207	3,565
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,829)	(3,375)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,044	1,164
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,290	14,146

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(123)	(179)
4.6	**Cash and cash equivalents at end of period**	**15,589**	**15,589**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	15,589	5,207
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**15,589**	**5,207**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,829)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,829)
8.4	Cash and cash equivalents at quarter end (item 4.6)	15,589
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	15,589
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5.51

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 22 January 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.